



Date: October 11, 2010
To: Human Resources & Governance (HR&G) Committee
From: Kristi Hobbs, Manager of Market Rules & Stakeholder Support
Subject: ERCOT's Technical Advisory Committee (TAC) Structure Recommendation

Issue for the ERCOT Board of Directors

ERCOT HR&G Committee Meeting Date: October 18, 2010

Agenda Item No.: 6

Issue:

At its July 20, 2010 meeting, the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) requested ERCOT staff and TAC to review the current TAC structure and to provide a recommendation at the October 19, 2010 Board meeting.

Background/History:

During discussions at the July 20, 2010 HR&G Committee and ERCOT Board meetings, both ERCOT staff and TAC were requested to review the TAC structure to propose efficiencies and to provide a report to the Board in October 2010. In response to the request, ERCOT staff participated in a TAC leadership meeting to brainstorm structural changes and options to gain efficiencies in the stakeholder process as well as worked with TAC leadership in developing the 2010 TAC Structural and Procedural Review document attached hereto as Exhibit A. Additionally, ERCOT staff which has regular TAC interactions was consulted for suggestions. ERCOT staff also reviewed common stakeholder process practices at other Independent System Operators (ISOs) for alternatives.

ERCOT staff agrees with recommendations made at the October 7, 2010 TAC meeting within the 2010 TAC Structural and Procedural Review document. ERCOT staff also offers these additional suggestions for consideration in improving the TAC committee process:

- **Allow Working Group Submission of Revision Request Comments**

In an effort to promote transparency, allow Working Groups to formally submit comments to the revision request process without first obtaining subcommittee approval. Some subcommittees do allow their Working Groups to file comments prior to subcommittee approval while other subcommittees require the Working Group to first obtain subcommittee approval before filing comments. Requiring subcommittee approval first can make it difficult for entities that are not engaged in the Working Group level discussion to know what is being discussed so they can prepare for subcommittee discussion and/or votes. Opponents to this concept argue that Working Groups do not have voting rights and that Working Group comments may only represent a few participants; therefore, Working Group comments should not be given the same consideration as comments filed from the subcommittee. Proponents would argue increased transparency which could lead to better meeting preparation and that if there are concerns about perceived weight of Working

Groups when there was limited representation that one could document who contributed to the Working Group discussion (via an attendance list). *Note: ERCOT staff shared this suggestion with TAC prior to the 2010 TAC structure and procedural review. At the time of the initial drafting of the TAC document, TAC leadership and ERCOT staff agreed to defer this item until the TAC structure was defined. ERCOT staff now offers this suggestion since the 2010 TAC subcommittee structure was defined at the October 7, 2010 TAC meeting.*

- **Revise the TAC Subcommittee Meeting Calendar**

The subcommittee meeting calendar should be revised to move subcommittees that frequently comment on Nodal Protocol Revision Requests (NPRRs), such as the Wholesale Market Subcommittee (WMS), to allow for more efficient processing of NPRR comments and for adequate review time prior to the Protocol Revision Subcommittee (PRS) consideration. *Note: The TAC Chair requested subcommittee input on the meeting calendar. ERCOT staff believes there are efficiencies to be gained from modifying the meeting calendar and therefore, highlights this item for consideration.*

- **Request ERCOT Staff to Draft an NPRR to Allow ERCOT to File Administrative NPRRs**

The Protocol revision process should be revised to allow ERCOT staff to file administrative NPRRs. ERCOT currently has the capability to file administrative revision requests to the Market Guides. For example, if ERCOT identifies non-substantive corrections such as typos (excluding grammatical changes), internal references (including table of contents), improper use of acronyms, and references to ERCOT Protocols, Public Utility Commission of Texas (PUCT) Substantive Rules, the Public Utility Regulatory Act (PURA), North American Electric Reliability Corporation (NERC) regulations, Federal Energy Regulatory Commission (FERC) rules, etc., ERCOT can file an administrative guide revision request. If the required commenting period expires with no comments on the administrative guide revision request, then ERCOT can implement the revision. This tool within the Nodal Protocols would assist participants by allowing ERCOT to handle such non-substantive edits while not diminishing transparency to revisions. *Note: ERCOT staff developed this suggestion later in the process; therefore, it was not contemplated by TAC. However, TAC leadership was briefed that these additional suggestions would be presented to the Board.*

Key Factors Influencing Issue:

- Due to the importance of stakeholder involvement in ERCOT operations, the structure of TAC and its subcommittees may affect ERCOT operations.
- ERCOT staff collaborated with TAC and reviewed alternatives for Board consideration.

Alternatives:

1. Provide feedback on how ERCOT and TAC should proceed in implementing the 2010 Structural and Procedural Review document and ERCOT additional suggestions as described above;
2. Defer providing feedback on the ERCOT and TAC recommendation on the 2010 Structural and Procedural Review document and ERCOT additional suggestions as described above;



or

3. Request further analysis and input from ERCOT and/or TAC in regards to the 2010 Structural and Procedural Review document and/or the ERCOT additional suggestions.

Conclusion/Recommendation:

As more specifically described above, ERCOT staff requests that the ERCOT Board provide feedback on the TAC 2010 Structural and Procedural Review recommendations and the additional suggestions of ERCOT staff.